LEASE AGREEMENT FOR THE ELGIN MUSEUM AND HISTORICAL SOCIETY
Prepared November 7th, 2018, Amended November 14th, 2018

THIS INDENTURE OF LEASE, entered into this 13th day of November, 2018 between the City of Elgin; hereinafter called the Lessor, and the Elgin Museum and Historical Society, hereinafter called the Lessee.

WITHNESSETH: In consideration of the covenants herein, the Lessor hereby leases those certain premises, as is, situated in the City of Elgin, County of Union and State of Oregon, and hereinafter called the premises, described as follows:

The Former Elgin City Hall situated at 180 N 8th Ave, Elgin, OR 97827; surrounding grounds located on tax lot 5300 on Union County Surveyors Map number S.W.1/4 N.E.1/4 SEC.15 T.1N R.39E. W.M.; AND; the empty grass lot located directly North of 180 N 8th Ave, Elgin, OR 97827, situated in between Baltimore Street to the South, North 8th Street to the East, the WURA parking lot to the North, and the O.W.R. & N. Rail Road to the West.

To have and to hold the premises commencing with the **14th day of November, 2018** and ending at midnight on the **13th day of November, 2021** for which Lessee agrees to pay, at 790 S. 8th Ave. (City Hall), Elgin, Oregon the following amounts and in the following times, to-wit:

1) Annual property taxes levied on the building and its contents billed to the City of Elgin. The rent payable is below market rent and has been reduced by at least the amount of the property taxes;
2) Continued restoration and renovation of the building compatible with its historical nature and semi-public uses;
3) Allow use of the building by community organizations for a nominal fee to cover Lessee's direct expenses;
4) Other monetary compensation which the parties mutually agree.

The terms of this lease may be extended for an additional period of (5) five years, ending the **13th** day of **November 2026,** upon consent of each party.

In consideration of the leasing of the premises and of the mutual agreements herein contained, the parties agree as follows:

LESSEE'S ACCEPTANCE OF LEASE

1) The Lessee accepts this letting and agrees to pay to the order of the Lessor the rentals above stated for the full term of this lease at the times and in the manner aforesaid.

USE OF PREMISES

(2a) The Lessee shall use the premises during the term of this lease operate and maintain the Elgin Museum which shall be open to the public consistent with the Museum public hours and other events which can be accommodated by the facilities and is compatible with the public nature of the building and for no other purpose whatsoever without Lessor's written consent.

(2b) The Lessee will not make any unlawful, improper or offensive use of the premises; the Lessee will not suffer any strip or waste thereof; the Lessee will not permit any objectionable noise or odor to escape or to

be emitted from the premises or do anything or permit anything to be done upon or about the premises in any way tending to create a nuisance; the Lessee will not sell or permit to be sold any product, substance or service upon or about the premises, excepting such as Lessee may be licensed by law to sell and as may herein expressly permitted; however, the dispensing, selling or consumption of alcoholic beverages or marijuana and illegal substances is not permitted on the premises.

(2c) The Lessee will not allow the premises at any time to fall into such a state of repair or disorder as to increase a fire hazard thereon; the Lessee will not install any power machinery on the premises except under the supervision and with written consent of the Lessor; the Lessee will not store gasoline or other highly combustible materials on the premises at any time; the Lessee will not use the premises in such a way or for such a purpose that the fire insurance rate on the improvements or on the premises is thereby increased or that would prevent the Lessor from taking advantage of any rulings of any agency of the state in which the premises are situated, or which would prevent the Lessor from obtaining reduced premium rates for long term fire insurance policies.

(2d) The Lessee shall comply at Lessee's own expense with all laws and regulations of any municipal, county, state, federal or other public authority respecting the use of the premises. These include, without limitations, all laws, regulations and ordinances pertaining to air and water quality, "hazardous materials" as herein defined, waste disposal, air emissions, and other environmental matters. As used herein, hazardous material means any hazardous or toxic substance, material, or waste, including but not limited to those substance, materials, and waste listed in the U.S. Department of Transportation Hazardous Materials Table or by the U.S. Environmental Protection Agency as hazardous substances and amendments thereto, petroleum products, or such other substances, materials, and waste that are or become regulated under any applicable local, state, or federal law.

(2e) The Lessee shall regularly occupy and use the premises for the conduct of Lessee's business, and shall not abandon or vacate the premises for more than 10 days without written approval of Lessor. When building is not in use all windows are to be shut and locked, as well as all doors and other access points.

(2f) Lessee shall not cause or permit any hazardous material to be brought upon, kept or used in or about the premises by Lessee, its agent, employees, contractors, or invitees without the prior written consent of Lessor, which consent will not be unreasonably withheld so long as Lessee demonstrates to Lessor's reasonable satisfaction that such hazardous material is necessary or useful to Lessee's business and will be used, kept, and stored in a manner that will comply at all times with all laws regulating any such hazardous material so brought upon or used or kept on or about the premises.

(2g) Lessee management to encourage staff to utilize offsite parking to allow patrons closer access to the building.

(2h) Lessee agrees to provide space to Lessor in the area labeled as the "Ticket Booth" upon the Lessors request, so long as it does not hamper in any way the right to properly conduct the Lessees business as normal.

UTILITIES

(3a) The Lessee shall pay for all heat, light, power, and other services or utilities used in the premises during the term of this lease.

(3b) The Lessor agrees to waive the water, sewer, and street user fees during the term of this lease.

REPAIRS AND IMPROVEMENTS

(4a) The Lessor shall not be required to make any repairs, alterations, additions or improvements to or upon the premises during the term of this lease, except only those hereinafter specifically provided for; the lessee hereby agrees to maintain and keep the premises, including all interior and exterior walls and doors, heating, ventilating and cooling systems, interior wiring, plumbing and drain pipes to sewer in good order and repair during the entire term of this lease, at Lessee's own cost and expense, and to replace all glass which may be broken or damaged during the term hereof in the windows and doors of the premises with glass of as good or better quality as that now in use; it is further agreed that the Lessee will make no alterations, additions or improvements to or upon the premises without the written consent of the Lessor first being obtained.

(4b) The Lessor agrees to maintain the major mechanical equipment installed to serve the building for heat, light, water and sewer, excluding servicing and maintenance of normal wear and tear. However, repair of damage beyond normal wear and tear caused by the Lessee or agents of the Lessee, whether by intended or unintended actions, shall be paid for by the Lessee.

(4c) The Lessor agrees to make all necessary structural repairs to the building, including exterior walls, foundation, roof, gutters and downspouts, and the abutting sidewalks. The Lessor reserves and at any and all times shall have the right to alter, repair or improve the building of which the premises are a part, or to add thereto, and for that purpose at any time may erect scaffolding and all other necessary structures about and upon the premises and Lessor and Lessor's representatives, contractors and workers for that purpose may enter in or about the premises with such materials as Lessor may deem necessary therefore, and Lessee waives and claim to damages, including loss of business resulting therefrom.

(4d) The Lessee agrees to repair any building shortcomings they are responsible for identified earlier in this lease within 30 days or unless prior arrangement has been made with the lessor.

LESSOR'S RIGHT OF ENTRY

(5) It shall be lawful for the Lessor, the Lessor's agents and representatives, at any reasonable time, to enter into or upon the premises for the purpose of examining the condition thereof, or for any other lawful purpose.

RIGHT OF ASSIGNMENT

(6) The Lessee will not assign, transfer, pledge, hypothecate, surrender or dispose of this lease, or any interest herein, sublet, or permit any other person or persons whomsoever to occupy the premises without the consent of the Lessor being first obtained in writing; this lease is personal to Lessee; Lessee's interest, in whole or part, cannot be sold, assigned, transferred, seized or taken by operation at law, or under or by virtue of any execution or legal process, attachment or proceedings instituted against the Lessee, or under or by virtue of any bankruptcy or insolvency proceedings had in regard to the Lessee, or in any other manner, except as above mentioned.

LEINS

(7) The Lessee will not permit any lien of any kind, type or description to be placed or imposed upon the improvements, in which the premises are situated, or any part thereof, or the land on which they stand.

ICE, SNOW, DEBRIS

(8a) At all times, the Lessee shall keep all sidewalks and stairs of the premises free and clear of ice, snow, rubbish, debris and obstruction.

(8b) The Lessor will not permit rubbish, debris, ice or snow to accumulate on the roof of the building so as to stop up or obstruct gutters or downspouts or cause damage to the roof. However, the Lessee will save harmless and protect the Lessor against any injury whether to Lessee or to Lessee's property or to any other person or property caused by Lessor's failure in this regard.

(8c) The Lessee shall keep the grounds, lawn and vegetation around the building properly maintained to provide a neat and tidy presentation of the grounds.

(8d) The lessee shall keep the grounds free of any building equipment, unless directly in use. All garage doors will remain closed when persons are not inside working.

(8e) Any added storage of any kind, ie, can receptacle, will be OK'd through the Lessor before it is added.

OVERLOADING OF FLOORS

(9) The Lessee will not overload the floors of the premises in such a way as to cause any undue or serious stress or strain upon the building in which the premises are located, or any part thereof, and the Lessor shall have the right, at any time, to call upon any competent engineer or architect whom the Lessor may choose, to decide whether or not the floors of the premises, or any part thereof, are being overloaded so as to cause any undue or serious stress or strain on the building, or any part thereof, and the decision of the engineer or architect shall be final and binding upon the Lessee; and in the event that it is the opinion of the engineer or architect that the stress or strain is such as to endanger or injure the building, or any part thereof, then and in the event the Lessee agrees immediately to relieve the stress or strain, either by reinforcing the building or by reducing the load which causes such stress or strain, in a manner satisfactory to the Lessor.

ADVERTISING SIGNS

(10) A sign shall be provided on the inside of the window of one of the front doors to give callers information to immediately reach a care-taker for a tour schedule or other business.

LIABILITY INSURANCE

(11) At all times during the term of this contract, Lessee will, at Lessee's own expense, maintain in force with an insurance carrier satisfactory to Lessor, insurance coverage that complies with the following requirements:

(a) Comprehensive General Liability insurance covering liability arising out of operations of Lessee and liability arising out of the occupancy or use of the premises that are the subject of this lease, with bodily injury liability limits of $1,000,000 per injury/$1,000,000 each occurrence, and general aggregate limits of $2,000,000 with the City of Elgin as additional insured, this coverage shall include contractual liability coverage applicable to any contractual indemnification obligations from Lessee or Lessor unless such obligations apply to indemnification against claims of liability arising out of the sole negligence of Lessor.

(b) Property insurance on an "ALL RISK" or "Fire and Extended Perils" basis insuring the Lessee's property and equipment located on the leased premises. Such insurance shall include a waiver of subrogation as against Lessor, as further provided elsewhere in this agreement under the heading "Waiver of Subrogation Rights".

(c) Notice of Cancellation of Change. There shall be no cancellation, material change, or reduction of limits of the insurance coverage required by this article without 30 days prior written notice from Lessee to Lessor.

(d) Certificates of Insurance. As evidence of the insurance coverage required by this agreement, Lessee shall provide, or cause to be provided, acceptable insurance certificates to Lessor. Such certificates shall reflect the term and limits of such coverage and the 30 day cancellation requirement described in the preceding subsection and shall list Lessor as the certificate holder.

INDEMNIFICATION

(12) Lessee agrees to and shall indemnify and hold Lessor harmless against any and all claims and demands arising from the negligence of the Lessee, Lessee's officers, agents, invitees and/or employees, as well as those arising from Lessee's failure to comply with any covenant of this lease on Lessee's part to be performed, and shall at Lessee's own expense defend the Lessor against any and all suits or actions arising out of such negligence, actual or alleged, and all appeals therefrom and shall satisfy and discharge any judgment which may be awarded against Lessor in any such suit or action.

FIXTURES

(13) All partitions, plumbing, electrical wiring, additions to or improvements upon the premises, whether installed by the Lessor or Lessee, shall be and become a part of the building in which the premises are located as soon as installed and the property of the Lessor unless otherwise herein provided.

LIGHT AND AIR

(14) This lease does not grant any rights of access to light and air of the premises or any adjacent property.

DAMAGE BY CASUALTY FIRE AND, DUTY TO REPAIR

(15) In the event of the destruction of the improvements in which the premises are located by fire or other casualty, either party hereto may terminate this lease as of the date of fire or other casualty to the extent of 50 percent or more of the sound value thereof, the Lessor may or may not elect to repair the same; written notice of Lessor's election shall be given Lessee within fifteen days after the occurrence of the damage; if notice is not so given, Lessor conclusively shall be deemed to have elected not to repair; in the event Lessor elects not to repair, then and in that event this lease shall terminate with the date of the damage; but if the improvements in which the premises are located be but partially destroyed and the damage so occasioned shall not amount to the extent indicated above, or fi greater than said extent and Lessor elects to repair, as aforesaid, then the Lessor shall repair the same with all convenient speed and shall have the right to take possession of and occupy, to the exclusion of the Lessee, all or any part thereof in order to make the necessary repairs, and the Lessee hereby agrees to vacate upon request, all or any part thereof which the Lessor may require for the purpose of making necessary repairs, and for the period of time between the day of such damage and until such repairs have been substantially completed there shall be such an abatement of rent as the nature of the injury or damage and its interference with the occupancy of the premises by the Lessee shall warrant; however, if the premises be but slightly injured and the damage so occasioned shall not cause any material interference with the occupation of the premises by Lessee, then there shall be not abatement of rent and the Lessor shall repair the damage with all convenient speed.

WAIVER OF SUBROGATION RIGHTS

(16) Neither the Lessor nor the Lessee shall be liable to the other for loss arising out of damage to or destruction of the premises, or the building or improvement of which the premises are a part or with which they are connected, or the contents of any thereof, when such loss is caused by any of the perils which are or could be included within or insured against by a standard from of fire insurance with extended coverage, including sprinkler leakage insurance, if any. All such claims for any and all loss, however caused, hereby are waived. Such absence of liability shall exist whether or not the damage of destruction is caused by the negligence of either Lessor or Lessee or by any of their respective agents, servants or employees. It is the intention and agreement of the Lessor and the Lessee that the rentals reserved by this lease have been fixed in contemplation that both parties shall fully provide their own insurance protection at their own expense, and that both parties shall look to their respective insurance carriers for reimbursement of and such loss, and further, that the insurance carriers involved shall not be entitled to subrogation under any circumstances against any party to this lease. Neither the Lessor nor the Lessee shall have any interest or claim in the other's insurance policy or policies, or the proceeds thereof, unless specifically covered therein as a joint insured.

EMINENT DOMAIN

(17) In case of the condemnation or purchase of all or any substantial part of the premises by any public or private corporation with the power of condemnation this lease may be terminated, effective on the date possession is taken, by either party hereto on written notice to the other and in that case the Lessee shall not be liable for any rent after the termination date. Lessee shall not be entitled to and hereby expressly waives any right to any part of the condemnation award or purchase price.

FOR SALE AND FOR RENT SIGNS

(18) During the period of 90 days prior to the date above fixed for the termination of this lease, the Lessor herein may post on the premises or in the windows thereof signs of moderate size notifying the public that the premises are "for sale" or "for lease."

DELIVERING UP PREMISES ON TERMINATION

(19) At the expiration of the lease term or upon any sooner termination thereof, the Lessee will quit and deliver up the premises and all future erections or additions to or upon the same, "broom-clean", to the Lessor or those having Lessor's estate in the premises, peaceably, quietly, and in good order and condition, with reasonable use and wear thereof, damage by fire, unavoidable casualty and the elements alone excepted, as the same are now in or hereafter may be put in by the Lessor.

ADDITIONAL CONVENANTS OR EXCEPTIONS

(20a) It is agreed that the following property located on the premises are the personal property of the Lessee and shall be at the disposal of the Lessee to remove, replace or sell:

a) Office equipment including; telephones, answering machine, clock, desks, file cabinets, cleaning equipment and supplies.
b) Any other equipment installed by the Lessee, and specifically agreed to by the Lessor, such equipment list shall be present in writing and attached hereto.

(20b) The Lessor will, so much as it is possible:

a) For the term of this lease, and any extension thereof, permit and allow the term "Elgin Museum" to be fully licensed by the Lessee for use in marketing, product creation and promotion.
b) Consolidate electrical services to reduce the number of metered services entering the building.

ATTACHMENT BANKRUPT DEFAULT

(21) These presents are upon these conditions, that (1) if the Lessee shall be in arrears in the payment of rent for a period of ten days after the same becomes due, or (2) if the Lessee shall fail or neglect to perform or observe any of the covenants and agreements contained herein or Lessee's part to be done, kept, performed and observed and such default shall continue for ten days or more after written notice of such failure or neglect shall be given to Lessee, or (3) if the Lessee shall be declared bankrupt or insolvent according to law, or (4) if any assignment of Lessee's property shall be made for the benefit of creditors, or (5) if on the expiration of this lease Lessee fails to surrender possession of the premises, the Lessor or those having Lessor's estate in the premises, may terminate this lease and, lawfully, at Lessor's option immediately or at any time thereafter, without demand or notice, enter into and upon the premises and every part thereof and reposes the same, and expel Lessee and those claiming by, through and under Lessee and remove Lessee's effects at Lessee's expense, forcibly if necessary and store the same, all without being deemed guilty of trespass and without prejudice to any remedy which otherwise might be used for arrears of rent or preceding breach of covenant.

Neither the termination of this lease by forfeiture nor the taking or recovery of possession of the premises shall deprive Lessor of any other action, right, or remedy against Lessee for possession, rent or damages, nor shall any omission by Lessor to enforce any forfeiture, right or remedy to which Lessor may be entitled be deemed a waiver by Lessor of the right to enforce the performance of all terms and conditions of this lease by Lessee.

In the event of any re-entry by Lessor, Lessor may lease or re-let the premises in whole or in part to any tenant or tenants who may be satisfactory to Lessor, for any duration, and for the best rent, terms and conditions as Lessor may reasonably obtain. Lessor shall apply the rent received from any such tenant first to the cost of retaking and re-letting the premises, including remodeling required to obtain any such tenant, and then to any arrears of rent and future rent payable under this lease and any other damages to which Lessor may be entitled hereunder.

Any property which Lessee leaves on the premises after abandonment or expiration of the lease, or for more than ten days after any termination of the lease by landlord, shall be deemed to have been abandoned, and Lessor may remove and sell the property at public or private sale as Lessor sees fit, without being liable for any prosecution therefor or for damages by reason thereof, and the net proceeds of any such sale shall be applied toward the expenses of landlord and rent as aforesaid, and the balance of such amounts, if any, shall be held for and paid to the Lessee.

HOLDING OVER

(22) In the event the Lessee for any reason shall hold over after the expiration of this lease, such holding over shall not be deemed to operate as a renewal or extension of this lease, but shall only create a tenancy at sufferance which may be terminated at will at any time by the Lessor.

ATTORNEY FEES AND COURT COSTS

(23) In case suit or action is instituted to enforce compliance with any of the terms, covenants or conditions of this lease, or to collect the rental which may become due hereunder, or any portion thereof, the losing party agrees to pay the prevailing party's reasonable attorney fees incurred throughout such proceeding, including at trial, an appeal, and for post judgment collection. The Lessee agrees to pay and discharge all Lessor's costs and expenses, including Lessor's reasonable attorney's fees that shall arise from enforcing any provision or

covenants of this lease even though no suit or action is instituted.

Should the Lessee be or become the debtor in any bankruptcy proceeding, voluntarily, involuntarily or otherwise, either during the period this lease is in effect or while there exists any outstanding obligation of the Lessee created by this lease in favor of the Lessor, the Lessee agrees to pay the Lessor's reasonable attorney fees and costs which the Lessor may incur as the result of Lessor's participation in such bankruptcy proceedings. It is understood and agreed by both parties that applicable federal bankruptcy law or rules of procedure may affect, alter, reduce or nullify the attorney fee and cost awards mentioned in the preceding sentence.

WAIVER

(24) Any waiver by the Lessor of any breach of any covenant herein contained to be kept and performed by the Lessee shall not be deemed or considered as a continuing waiver, and shall not operate to bar or prevent the Lessor from declaring a forfeiture for any succeeding breach, either of the same condition or covenant or otherwise.

NOTICES

(25) Any notice required by the terms of this lease to be given by one party hereto to the other or desired so to be given, shall be sufficient if in writing, contained in a sealed envelope, and sent first class mail, with postage fully prepaid, and if intended for the Lessor herein, addressed to the Lessor at **P.O. Box 128, Elgin, OR 97827**; and if intended for the Lessee, addressed to the Lessee at: **68020 Hunter Road, Summerville, OR 97876**. Any such notice shall be deemed conclusively to have been delivered to the addressee forty-eight hours after the deposit thereof in the U.S. Mail.

HEIRS AND ASSIGNS

(26) All rights, remedies and liabilities herein given to or imposed upon either of the parties hereto shall extend to, inure to the benefit of and bind, as the circumstances may require, the heirs, successors, personal representatives and so far as this lease is assignable by the terms hereof, to the assigns of such parties.

In construing this lease, it is understood that the Lessor or the Lessee may be more than one person; that if the context so requires, the singular pronoun shall be taken to mean and include the plural, and that generally all grammatical changes shall be made, assumed and implied to make the provisions hereof apply equally to corporations and to individuals.

IN WITNESS WHEREOF, the parties have executed this lease on the day and year first herein above written, any corporation signature being by authority of its Board of Directors.

City of Elgin

Allan Duffy, Mayor
Date: 11/15/18

Elgin Museum and Historical Society

Gerald Hopkins, President
Date: 11/15/18

Everett Grandeen, Vice President
Date: 11/15/18

The City strongly recommends that the Lessor become familiar the Americans with Disabilities Act of 1990, Public Laws 101-336. The Act may impose certain duties and responsibilities upon either or both parties, to the lease. These duties and responsibilities may include but not be limited to the removal of certain architectural barriers and ensuring that disabled persons are not denied the opportunity to benefit from the same goods and services as those available to persons without disabilities. Under the Act, prohibition against discrimination applies to any person who is the owner, operator, Lessor, or Lessee of a place of public accommodation.